

Hearing Date: July 25, 2018 at 9:30 a.m. (AST)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO,

as representative of

THE COMMONWEALTH OF PUERTO  
RICO,  
*et al.*

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**REPLY IN SUPPORT OF URGENT MOTION TO COMPEL THE  
PUERTO RICO DEPARTMENT OF TREASURY  
TO COMPLY WITH THE FIRST AND SECOND AMENDED ORDERS  
SETTING PROCEDURES FOR INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES OF PROFESSIONAL**

The Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “**Retiree Committee**”), respectfully files this reply (the “**Reply**”) in support of the the Retiree Committee’s urgent motion (“**Motion**”) for entry of an order directing the Puerto Rico Department of Treasury, part of the Commonwealth’s central government (“**Hacienda**”) <sup>2</sup> to comply with this Court’s First Amended Order Setting Procedures for Interim Compensation and Reimbursement

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<sup>1</sup> The Debtors in these jointly-administered PROMESA title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric and Power Authority (Bankruptcy Case No. 17 BK 4780) (Last Four Digits of Federal Tax ID: 3747).

<sup>2</sup> Hacienda is represented by counsel to AAFAF.

of Expenses of Professionals [Dkt. No. 1715] (the “**First Amended Interim Compensation Order**”) and the Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Dkt. No. 3269] (the “**Second Amended Interim Compensation Order**”, together with the First Amended Interim Compensation Order, the “**Interim Compensation Orders**”).

1. The Retiree Committee filed the Motion on July 13, 2018.<sup>3</sup> [Dkt. 3513.] In the Motion, the Retiree Committee sought entry of an Order: (a) directing Hacienda to comply with the Interim Compensation Orders and to pay to the Retiree Committee’s Professionals, on or before July 31, 2018, all fees and expenses due under the Interim Compensation Orders; and (b) directing Hacienda to remit the withholdings erroneously applied to the stateside Retiree Committee’s Professionals and Marchand on or before July 31, 2018.

2. Since filing the Motion, the Retiree Committee Professionals have received partial payments of various past-due amounts. As set forth in the Supplement to the Motion, the Retiree Committee Professionals provided Hacienda with updated schedules of all amounts currently due. [Dkt. 3649.] The Retiree Committee Professionals have been engaged in dialogue with Hacienda and its counsel through the filing of this Reply. The Retiree Committee Professionals are advised by Hacienda that the Retiree Committee Professionals should receive wire transfers today for the payment of fees and expenses due under the Interim Compensation Orders. Based on the amount of the expected wire transfers, however, it appears that Hacienda has continued to erroneously withhold certain amounts from those expected payments.

3. The Retiree Committee Professionals are continuing to engage Hacienda and its counsel in an effort to resolve the erroneous amounts withheld from prior payments and have been

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<sup>3</sup> Capitalized words used herein and not defined shall have the meaning given to them in the Motion.

doing so for several months. Indeed, Jenner & Block and FTI Consulting submitted formal requests to Hacienda for withholdings refunds on June 7, 2018, and have provided copies of those requests to counsel for AAFAF.

4. The Retiree Committee Professionals will continue to work with Hacienda and its counsel to resolve the issues presented in the Motion, but due to the amounts that remain outstanding and the fact that the Retiree Committee Professionals have not yet received the anticipated wires, the Retiree Committee submits that the Motion should go forward as scheduled for the July 25, 2018 omnibus hearing date.

July 23, 2018

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By:

/s/ Robert Gordon

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Respectfully submitted,

BENNAZAR, GARCÍA & MILIÁN, C.S.P.

By:

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